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16 August 2023

AGREEMENT WITH CHINA E-COMMERCE COMPANY & LAUNCH OF RLG MARKETPLACE

- RLG has executed a binding agreement with cross border e-Commerce company AULife International to jointly market and sell international products in China
- The agreement is immediately revenue generative, with preliminary sales orders of \$680k and receipts of \$506k since the 29 June 2023 term sheet announcement
- Sales and orders delivered in 2 new lucrative product segments for RLG - Milk Powder and Dairy Food Products
- AULife holds distribution rights for a leading portfolio of brands and products and agreement and expands RLG's distribution footprint with Chinese consumers
- The relationship is focussed on launching a unique platform dedicated to the sale and distribution of leading Australian & International brands into China
- New entity RLG Marketplace will be 51%-owned by RLG and 49%-owned by AULife related entity, Asia Pacific Capital Holdings with profit sharing of 80% to RLG and 20% to AU Life (net profit basis)
- 40 million performance rights provided for delivery of \$1.33m of net profit in first 12 months
- New Company and Brand established to sell products – "RLG Marketplace"

e-Commerce company RooLife Group Ltd (ASX:RLG) ("RLG" or "Company") is delighted to announce that it has executed a binding agreement under which it will market and sell a portfolio of Australian and International products to Chinese consumers with China-focused e-Commerce company AULife International Pty Ltd and its related entity, Asia Pacific Capital Holdings Pty Ltd, together ("AULife") under the new platform and brand, **RLG Marketplace**. The binding agreement further formalises the relationship between the parties as established in the term sheet announced by RLG on 29 June 2023 ("Term Sheet").



RLG Marketplace is a China-focussed e-Commerce and B2B sales platform to connect International businesses and brands directly with Chinese shoppers. The key focus of RLG Marketplace is to sell RLG's and its partner's product ranges across combined sales channels online and offline in China.

RLG Marketplace will target additional revenue streams through new product sales, as well as the provision of digital marketing, social media and e-commerce store operations to a new and targeted client base. The new entity RLG



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Marketplace Pty Ltd is to be owned 51% by RLG and 49% by AULife's Asia Pacific Capital Holdings Pty Ltd, with profit sharing of 80% to RLG and 20% to AULife (net profit basis).

Under the terms of the agreement RLG and AULife are to jointly provide China-based e-Commerce and B2B services and operations with a key objective to launch and provide a specialist e-commerce store dedicated to the sale and distribution of leading Australia brands to the Chinese market, in conjunction with a tier-1 e-commerce platform in China. The parties are already operating under the general terms of the agreement and generating sales attributable to the relationship with sales orders of \$680k to date, of which \$506k have been receipted and the balance is due to be collected by the end of the month.

RoLife Group CEO, Bryan Carr said: *"We welcome this new relationship with AULife and we are excited by the opportunities ahead of us to work together on the RLG Marketplace, selling high-quality and in-demand International – and particularly Australian products, into the world's largest e-commerce market."*

We are already proving the value of this news sales arrangement, having achieved sales and orders in two new lucrative product segments for RLG being Milk Powder and Dairy Food Products and we look forward to continued expansion, combining the talents of the Aulife team with our Australian and China-based teams.

We encourage Australian companies interested in accessing the China market to contact us and register for the RLG Marketplace."

As previously announced by RLG in its 29 June announcement and following further discussion between the parties, as an incentive for AULife and its partner Martin Place Equity Partners Pty Ltd ("Martin Place") to maximise sales performance the agreement provides that AULife (or its nominee) will be issued 32,000,000 performance rights under the agreement, with Martin Place (or its nominee) to receive 8,000,000 performance rights pursuant to the terms of the Term Sheet. The parties have agreed that these performance rights will be issued as soon as practicable following RLG Marketplace formalising its first business plan and in any event within three months ("Issue Date"). Upon vesting, each performance right can be converted into one fully paid ordinary RLG share.

The vesting of these performance rights will be determined based on the profit derived from sales revenue directly attributable to AULife (with the effect being if, within the first 12 months the Issue Date, the operating entity achieves \$1,333,320 or more of net profit which is derived from sales revenue directly attributable to AULife, then all 40,000,000 Performance Rights will vest).

Additionally, RLG will issue 8,000,000 performance rights to AULife (or its nominee) and 2,000,000 performance rights to Martin Place (or its nominee) which vest if, within the first 12 months after the Issue Date, RLG Marketplace enters into an agreement with a Tier 1 Chinese e-commerce platform, local governments and brands (with AULife facilitating the entry into that arrangement) for a National level online store and at least \$50,000 in associated product sales is achieved on that e-commerce platform provider's platform.

RLG has agreed to issue a further 8,000,000 performance rights to AULife (or its nominee) to be issued in two equal tranches. 4,000,000 performance rights will vest if, within the first 12 months after the date of issue, RLG's market capitalisation is at any time \$12m or more for 20 consecutive trading days. The other 4,000,000 performance rights will vest if, within the first 12 months after the date of issue, RLG's market capitalisation is at any time \$20m or more for 20 consecutive trading days.

The detailed terms relating to the vesting of the performance rights are set out in the Company's ASX announcement of 29 June 2023 and will be issued under the Company's existing 15% placement capacity in accordance with ASX Listing Rule 7.1.

In the Company's announcement on 29 June 2023, the Company proposed an aggregate number of 60,000,000 performance rights to be issued to AULife and Martin Place. Subsequent to this announcement and in consultation between the parties the aggregate number of performance rights to be issued has been revised to 58,000,000 as set out above.

Issued by: RooLife Group Ltd

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RLG China Channel Network



Social/E-commerce



Online & Offline B2B



E-commerce Platforms



High End Retail Grocery



High End Retail Trade



Government Organizations/Events/Seminars/Training

Specialty Retail (Gyms/Clubs/Hotels)



ENDS